

COLORADO STATE UNIVERSITY
Financial Procedure Instructions
FPI 1-13

1. **Procedure Title:** Reserve Accounts – Restricted and Unrestricted
2. **Procedure Purpose and Effect:** This procedure provides guidelines for establishing, maintaining, and transferring funds in and out of restricted and unrestricted reserve accounts. These procedures have been established to provide consistent operational practices in the accounts within the Externally Restricted Reserve Funds (ERRF) sub-fund and the Unrestricted Reserve Funds (RESERV) sub-fund.
3. **Application of Procedure:** This procedure applies to University reserves that have been designated either internally or externally for planned expenditures.
4. **Exemptions:** None.
5. **Definitions:** The following definitions address terminology used:
 - A. **Account:** Each Reserve has its own account that is set up in KFS where it explains the purpose of the account.
 - B. **External Restrictions:** Restrictions placed by an entity that is external to the University such as, but not limited to, contracts, legislation, and statutes.
 - C. **Externally Restricted Reserve Funds Sub-fund (ERRF) Account:** Holds cash for previously identified strategic or operating initiatives that is externally restricted as to its use.
 - D. **Kuali Financial System (KFS):** The University financial system used to create reserve accounts and move money in and out of the accounts.
 - E. **Unrestricted (RESERV) Sub-Fund Account:** Holds cash for previously identified strategic or operating initiatives that are not restricted.
 - F. **Transfer of Funds:** KFS document used to move funds in and out of Reserve accounts.
 - G. **Transfer Request Form:** The form must be completed when creating a new Reserve Account, transferring funds in or out, or changing the Reserve Account Plan.
6. **Procedure Statement:**
 - A. **75 Accounts – Unrestricted (RESERV) Sub-fund Accounts**

The 75 Unrestricted Reserve Sub-fund Accounts hold cash for previously identified strategic or operating initiatives that are not restricted. These accounts are used to account for University reserves that have been designated, but not restricted, for planned expenditures.
 - B. **76 Accounts – Externally Restricted Reserve Funds (ERRF) Sub-fund Accounts**

The 76 Externally Restricted Reserve Accounts hold cash for previously identified strategic or operating initiatives that are restricted in use by External parties. These accounts are used to

account for University reserves that have been designated and externally restricted, for planned expenditures.

C. Set up and Transfer of Funds into the 75 or 76 Account

When funds are identified for future projects, or planned expenditures, the department will request a transfer of funds into a 75 or 76 Reserve Account depending on the unrestricted or externally restricted nature of the funds, respectively. If a department requires a 75 or 76 account, follow the steps within the Reserve Account Transfer Request form (see Forms and Tools). All requests relating to the 75 or 76 Reserve Account must be submitted using the Reserve Account Transfer Request Form. After all departmental signatures are acquired, the form is sent to the Manager of Campus Services in Business and Financial Services (BFS) to be routed for approval. Once reviewed and approved by Campus Services and FRA Plant Fund Accounting, the form is forwarded to the Cabinet Finance Committee for review and approval if the amount of the request is over \$250,000 and is not for the original stated purpose of the reserve account. All other requests will be forwarded to the Vice President of University Operations for review. After final approval, BFS-FRA will process the transfer of funds.

D. Transfer of Funds out of the 75 or 76 Account

Transfer of funds out of the 75 or 76 Account will require a completed Reserve Account Transfer Request Form and a New Plant Account Request Form (prepared by Facilities) if applicable. After all departmental signatures are acquired, these forms are sent to the Manager of Campus Services in BFS. Once reviewed and approved by Campus Services and FRA Plant Fund Accounting, the form will be forwarded to the Cabinet Finance Committee for review and approval, if the amount is over \$250,000 and is not for the original stated purpose of the reserve account. Any requests for transfers of \$250,000 or less will be forwarded to the Vice President of University Operations for review and approval. After final approval, BFS-FRA will process the transfer of funds.

E. Plan Change in the 75 or 76 Account

All changes to the original planned use of funds in the 75 or 76 Account will require the completion of the Reserve Account Transfer Request Form and checking the box "Plan Change". A new plan must be submitted along with the signed form and sent to the Manager of Campus Services. Details of the plan change will be reviewed by the Vice President of University Operations if the change is \$250,000 or less. If the change is over \$250,000 it will be reviewed by the Cabinet Finance Committee. The requestor of the plan change will be notified by BFS-FRA if the changes are approved.

F. Return of Funds by Facilities to the Reserve Account

The Reserve Account can be used to fund projects through Facilities. After the project is completed, if funds are due back to the Reserve Account by Facilities, the Reserve Account – Transfer Request Form is not required to be completed.

7. **Reference and Cross-References:** None.

8. **Forms and Tools:** [Reserve Account Transfer Request Form.](#)